

Hershey Chocolate Corporation and Affiliated Companies

CONSOLIDATED BALANCE SHEET

December 31, 1932

AND

CONSOLIDATED PROFIT AND LOSS ACCOUNT
AND SUMMARY OF CONSOLIDATED EARNED SURPLUS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1932

Together with

Auditor's Certificate



HERSHEY CHOCOLATE CORPORATION AND AFFILIATED COMPANIES
CONSOLIDATED BALANCE SHEET - DECEMBER 31, 1932

ASSETS

CURRENT ASSETS:

Cash		\$ 1,608,702.96
Accounts receivable	\$ 1,178,066.71	
Less - Reserve for bad debts and discounts	294,661.40	883,405.31
Inventories of raw materials, goods in process and finished goods, certified by officials of the company as to quantities and condition, valued at the lower of cost or market		5,427,163.33
Total current assets		\$ 7,919,271.60

WORKING ASSETS:

Supplies and repair parts	\$ 203,121.66	
Salesmen's advances, prepaid insurance, etc.	146,775.38	349,897.04

HERSHEY CHOCOLATE CORPORATION, CONVERTIBLE PREFERENCE STOCK- 11,783 shares at cost

793,392.03

PLANT AND PROPERTY:

<u>Particulars</u>	<u>Gross Book Value</u>	<u>Reserve for Depreciation</u>	<u>Net Book Value</u>
Land	\$ 123,428.39	\$ -	\$ 123,428.39
Buildings and improvements	6,262,601.05	2,588,508.43	3,674,092.62
Machinery, equipment and fixtures	10,409,703.56	6,192,895.82	4,216,807.74
New York properties	1,715,712.93	277,196.19	1,438,516.74
	<u>\$18,511,445.93</u>	<u>\$9,058,600.44</u>	<u>\$ 9,452,845.49</u>
Construction in progress			90,083.12
			<u>9,542,928.61</u>
			<u><u>\$18,605,489.28</u></u>

LIABILITIES

CURRENT LIABILITIES:

Accounts and wages payable	\$ 523,467.09
Mortgage due December 1, 1933 on property acquired May 31, 1932 subject thereto	150,000.00
Reserve for Federal income tax	795,946.67
Dividends payable February 15, 1933 on convertible preference stock and common stock	1,429,947.25
Total current liabilities	\$ 2,899,361.01

CAPITAL STOCK AND SURPLUS

Convertible preference stock (without par value)- Authorized and issued 350,000 shares of which 78,649 shares have been converted into common stock- Issued and outstanding 271,351 shares at stated value (see note)	\$ 271,351.00
Common stock (without par value)- Authorized 1,000,000 shares of which 271,351 shares are reserved for conversion of convertible preference stock- Issued and outstanding 728,649 shares at stated value	728,649.00
	<u>\$ 1,000,000.00</u>
Surplus at organization	2,793,596.99
Earned surplus, December 31, 1932	11,912,531.28
	<u>15,706,128.27</u>
	<u><u>\$18,605,489.28</u></u>

NOTE: The convertible preference stock is entitled to cumulative dividends at the rate of \$4.00 per share per annum, plus an extra dividend of \$1.00 per share in any year in which dividends are declared or paid on the common stock. Upon any distribution of capital assets the convertible preference stock is entitled to receive \$50.00 per share and accumulated unpaid dividends (if any) before any distribution to the common stock and shares equally per share with the common stock in any distribution of the balance until the convertible preference stock receives a total of \$100.00 per share and accumulated unpaid dividends (if any).

HERSHEY CHOCOLATE CORPORATION AND AFFILIATED COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1932

GROSS PROFITS ON SALES.....		\$ 7,666,972.20
SHIPPING, SELLING AND ADMINISTRATIVE EXPENSES...		<u>2,302,399.49</u>
Net profits from operations.....		\$ 5,364,572.71
OTHER INCOME—Cash discounts and interest earned, net income from sales of creamery products, etc., and other miscellaneous income.....	\$ 220,359.14	
DEDUCT—Miscellaneous charges.....	<u>97,752.05</u>	<u>122,607.09</u>
Net profits before provision for Federal income tax		\$ 5,487,179.80
PROVISION FOR FEDERAL INCOME TAX.....		<u>749,414.89</u>
Net profits, carried to surplus account.....		<u>\$ 4,737,764.91</u>
Note: Costs and expenses include provision for depreciation of \$814,901.73 on plant and property.		

SUMMARY OF CONSOLIDATED EARNED SURPLUS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1932

Earned surplus at December 31, 1931.....	\$12,667,681.12
Net profits for the year ended December 31, 1932.....	<u>4,737,764.91</u>
	\$17,405,446.03
Dividends:	
Convertible preference stock.....	\$1,301,863.00
Common stock.....	<u>4,191,051.75</u>
	5,492,914.75
Earned surplus at December 31, 1932.....	<u>\$11,912,531.28</u>

OFFICERS:

M. S. Hershey, Chairman of Board of Directors
William F. R. Murrie, President
John E. Snyder, Vice-President and Secretary
Ezra F. Hershey, Treasurer

DIRECTORS:

M. S. Hershey, Hershey, Pa.
William F. R. Murrie, Hershey, Pa.
Ezra F. Hershey, Hershey, Pa.
John E. Snyder, Hershey, Pa.
P. A. Staples, Central Hershey, Cuba
Stanley A. Russell, New York City, N. Y.
J. P. Ripley, New York City, N. Y.

ARTHUR ANDERSEN & Co.

ACCOUNTANTS AND AUDITORS

MEMBERS AMERICAN INSTITUTE OF ACCOUNTANTS

67 WALL STREET

NEW YORK

AUDITOR'S CERTIFICATE

To Hershey Chocolate Corporation:

We have examined the accounts of the Hershey Chocolate Corporation (a Delaware corporation) and Affiliated Companies for the year ended December 31, 1932. In our opinion, the accompanying consolidated balance sheet, profit and loss account and summary of earned surplus account fairly present the financial position of the companies at December 31, 1932 and the results of their operations for the year ended that date.

ARTHUR ANDERSON & CO.

New York, N. Y.,
February 14, 1933.

A New HERSHEY Product



**A Distinctly Different Chocolate---Not-So-Sweet---Just Enough
Sugar to Give the Chocolate Marked Individuality and
Character. It's HERSHEY'S, Which is
Indicative of Good Chocolate**

Our Stockholders, as individuals, can greatly advance the Company's interest and their own as well, by using HERSHEY'S Products in their homes and recommending them to others.
